

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name: Person USAC should contact with questions about this data	Michael Garrett
<035>	Contact Telephone Number: Number of the person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address: Email of the person identified in data line <030>	mike.g@aptalaska.com
	Form Type	54.313 and 54.422

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

613017ak112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<210> For the prior calendar year, were there any reportable voice service outages? Yes

-- See attached worksheet --

**(300) Unfulfilled Service Request
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	
<410>	Complaints per 1000 customers for fixed voice	Offered only fixed voice 0 . 0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	
<440>	Complaints per 1000 customers for fixed broadband	Offered only fixed broadband 0 . 0
<450>	Complaints per 1000 customers for mobile broadband	

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
613017ak510.pdf		
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	

(600) Functionality in Emergency Situations		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	613017ak610.pdf

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

[illegible]

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com
<810>	Reporting Carrier	Alaska Telephone Company
<811>	Holding Company	Alaska Power & Telephone, Inc.
<812>	Operating Company	Alaska Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<900> Does the filing entity offer tribal land services? (Y/N) Yes

This LEC serves areas in Alaska.

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

613017ak920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1000) Voice and Broadband Service Rate Comparability
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate
comparability compliance

Name of Attached Document

<1020> Broadband comparability certification No

<1030> Attach detailed description for broadband
comparability compliance

Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP <http://www.aptalaska.com/lifeline-and-linkup/>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support
- <2011> 3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support
- <2022> Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.
- <2023> The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2024A> Round 2 Recipient of Incremental Support?
- <2024B> Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.
- <2025A> Round 1 or Round 2 Recipient of Incremental Support?
- <2025B> Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-
- <2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

Name of Attached Document Listing
Required Information

Name of Attached Document Listing
Required Information

(2000) Price Cap Carrier Additional Documentation (Continued)**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification support used to build broadband

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017A> Connect America Fund Phase II recipient?

<2017B> Attach information for Phase II - 54.313(e)(1) - list of geocoded locations already meeting the 54.309 public interest obligations at the end of calendar year 2015 and total amount of Phase II support, if any, the price

Name of Attached Document Listing
Required Information

cap carrier used for capital expenditures in 2015.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(2)(ii)

Name of Attached Document Listing
Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(2)(v)

<2020> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 40% of its supported locations in the state on December 31, 2017 - 54.313(e)(3)

<2021> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 60% of its supported locations in the state on December 31, 2018 - 54.313(e)(4)

<2026> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 80% of its supported locations in the state on December 31, 2019 - 54.313(e)(5)

<2027> Recipient certifies that it offered broadband meeting the requisite public interest obligations specified in §54.309 to 100% of its supported locations in the state on December 31, 2020 - 54.313(e)(6)

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Not Applicable - No Attachment Required	
(3010A)	Milestone Certification {47 CFR § 54.313(f)(1)(i)}		
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Not Applicable - No Attachment Required	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input checked="" type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	613017ak3026.pdf

(3005) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

Financial Data Summary

(3027) Revenue	14522367
(3028) Operating Expenses	12779470
(3029) Net Income	28111
(3030) Telephone Plant In Service(TPIS)	58121822
(3031) Total Assets	23248633
(3032) Total Debt	0
(3033) Total Equity	18324996
(3034) Dividends	3063314

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission’s public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	_____
---	--	-------

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.	Name of Attached Document Listing Required Information	_____
--	--	-------

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.	Name of Attached Document Listing Required Information	_____
--	--	-------

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: ALASKA TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/20/2016
Printed name of Authorized Officer: Michael Garret	
Title or position of Authorized Officer: Chief Operating Officer	
Telephone number of Authorized Officer: 3603851733 ext.160	
Study Area Code of Reporting Carrier: 613017	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	613017
<015> Study Area Name	ALASKA TEL CO
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035> Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039> Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	
Name of Authorized Agent Firm:	
Signature of Authorized Agent or Employee of Agent:	Date:
Name of Authorized Agent Employee:	
Title or position of Authorized Agent or Employee of Agent	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

(700) Price Offerings including Voice Rate Data Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
	AK	Alaska Telephone	49.95	0.0	49.95	768.0	768.0	10.0	Overage Charge
	AK	Alaska Telephone	54.95	0.0	54.95	768.0	768.0	20.0	Overage Charge
	AK	Alaska Telephone	59.95	0.0	59.95	768.0	768.0	30.0	Overage Charge
	AK	Alaska Telephone	69.95	0.0	69.95	768.0	768.0	40.0	Overage Charge
	AK	Alaska Telephone	99.95	0.0	99.95	768.0	768.0	80.0	Overage Charge
	AK	Alaska Telephone	279.95	0.0	279.95	768.0	768.0	200.0	Overage Charge
	AK	Alaska Telephone	54.95	0.0	54.95	1000.0	1000.0	10.0	Overage Charge
	AK	Alaska Telephone	59.95	0.0	59.95	1000.0	1000.0	20.0	Overage Charge
	AK	Alaska Telephone	69.95	0.0	69.95	1000.0	1000.0	30.0	Overage Charge
	AK	Alaska Telephone	79.95	0.0	79.95	1000.0	1000.0	40.0	Overage Charge
	AK	Alaska Telephone	109.95	0.0	109.95	1000.0	1000.0	80.0	Overage Charge
	AK	Alaska Telephone	299.95	0.0	299.95	1000.0	1000.0	200.0	Overage Charge
	AK	Alaska Telephone	59.95	0.0	59.95	2000.0	1000.0	10.0	Overage Charge
	AK	Alaska Telephone	69.95	0.0	69.95	2000.0	1000.0	20.0	Overage Charge
	AK	Alaska Telephone	79.95	0.0	79.95	2000.0	1000.0	30.0	Overage Charge
	AK	Alaska Telephone	89.95	0.0	89.95	2000.0	1000.0	40.0	Overage Charge
	AK	Alaska Telephone	119.95	0.0	119.95	2000.0	1000.0	80.0	Overage Charge
	AK	Alaska Telephone	319.95	0.0	319.95	2000.0	1000.0	200.0	Overage Charge
	AK	Alaska Telephone	69.95	0.0	69.95	4000.0	1000.0	10.0	Overage Charge
	AK	Alaska Telephone	79.95	0.0	79.95	4000.0	1000.0	20.0	Overage Charge
	AK	Alaska Telephone	89.95	0.0	89.95	4000.0	1000.0	30.0	Overage Charge

(710) Broadband Price Offerings Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com

[illegible]

(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613017
<015>	Study Area Name	ALASKA TEL CO
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Michael Garrett
<035>	Contact Telephone Number - Number of person identified in data line <030>	8009820136 ext.160
<039>	Contact Email Address - Email Address of person identified in data line <030>	mike.g@aptalaska.com
<810>	Reporting Carrier	Alaska Telephone Company
<811>	Holding Company	Alaska Power & Telephone, Inc.
<812>	Operating Company	Alaska Telephone Company

[illegible]

Alaska Telephone Company
Line 112 - 5 Year Service Quality Improvement Plan

Wire Center Name	CLI Code	Access Line Count	Middle Mile Transport	% Capable 1MB / 256K	% Capable 4MB / 1MB	Broadband Available	Notes	Forecasted Capital Budget by Exchange				
								2014	2015	2016	2017	2018
Chisana	CHSNAKXADS1	3	Satellite Only	100%		No	It is not cost effective to procure Sat transport and provide service to these few customers. ATC is attempting to abandon service in this exchange. No Capital investment is contemplated.					
UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. There are only 6 fulltime residents in this VERY remote community. No map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. There are only 6 fulltime residents in this VERY remote community. No map.												
Craig	CRAGAKXADS1	866	Terrestrial		90% Yes		Some plant investmnet will be needed in the next 5 years to get 100% of the plant capable of FCC minimum throughput. The proposed investment includes shortening loop lengths.	114,433			100,000	100,000
UPDATE - June 2015 - The funds projected were expended to upgrade the RST in Port Saint Nicholas and the Central Office. An additional 5% of customer exceed FCC minimums. Craig now at 85%. See Map UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Craig is now at 90%. See Map.												
Dot Lake	DTLKAKXADS1	17	Satellite Only	100%		100% No	Local plant is capable of the current FCC minimums. However middle mile transport makes provision of broadband service in this exchange not feasible. If a fiber route is developed between Delta Junction and Tok then service could be provisioned.					
UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map.												
Dry Creek	DRCKAKYADS1	38	Satellite Only	100%		100% No	Local plant is capable of the current FCC minimums. However middle mile transport makes provision of broadband service in this exchange not feasible. If a fiber route is developed between Delta Junction and Tok then service could be provisioned.					
UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map.												
Edna Bay	EDBYAKXADS1	25	Satellite Only	100%		100% No	Currently it is not feasible or sustainable to service this site with Broadband. AT&T had already recvied RUS grants to provide service in this exchange and intends to abandon service tdue to middle mile costs.					
UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map. AT&T grant facilities still serve this area. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. No map. AT&T grant facilities still serve this area.												
Haines/Klukwan	HANSAKXASS0	1,493	Terrestrial		90% Yes		The cost to provide higher tier service to the remaining populus is not cost effective. The remaining 15% will take \$1,000,000 to build out.	101,633				
UPDATE - June 2015 - The funds projected were expended to upgrade the PON nextwork in Lutak and the RST at 10mile. An additional 5% of customer exceed FCC minimums. Haines / Klukwan now at 90%. See Map UPDATE - June 2016 - There were no funds budgeted for 2016. Haines / Klukwan now at 90%. See Map												
Healy Lake	HYLKAKXADS1	2	Terrestrial	100%		100% No	It is not cost effective to procure Sat transport and provide service to these few customers. ATC is attempting to abandon service in this exchange. No Capital investment is contemplated.					
UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. Currently no full time residents live in the community. No map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. Currently there is one fullll time resident but service is suspended. No map.												
Hollis	HOLSAXKADS1	86	Terrestrial		100% Yes		No more investment is needed.					
UPDATE - June 2015 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map. UPDATE - June 2016 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map.												
Hydaburg	HYBGAKXADS1	129	Terrestrial		100% Yes		No more investment is needed.					
UPDATE - June 2015 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map. UPDATE - June 2016 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map.												

Alaska Telephone Company
Line 112 - 5 Year Service Quality Improvement Plan

Wire Center Name	CLLI Code	Access Line	Middle Mile	% Capable	% Capable	Broadband	Notes	Forecasted Capital Budget by Exchange					
		Count	Transport	1MB / 256K	4MB / 1MB	Available		2014	2015	2016	2017	2018	
Hyder		64	N/A			No	Hyder is unique. Due to its location it is served via Telus in Canada out of its Stewart BC exchange. We have no plant investment in this community. UPDATE - June 2015 - The situation remains unchanged. Hyder is unique. See 5 Year plan narrative. UPDATE - June 2016 - The situation remains unchanged. Hyder is unique. See 5 Year plan narrative.						
Metlakatla	MTKTAKXADS0	699	Terrestrial		100% Yes		No more investment is needed. UPDATE - June 2015 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map. UPDATE - June 2016 - As noted no further investment is needed in this community to meet FCC minimum broadband requirements. For the service area see the map.						
Myers Chuck	MYCHAKXADS1	6	Terrestrial			No	It is not feasible, cost effective or sustainable to provide broadband service to this site. UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Source of transport has not changed. There are only 3 fulltime residents in this VERY remote community. No map. UPDATE - June 2016 - There has been no change in this community. There are only 3 fulltime residents in this VERY remote community. No map.						
Naukati	NUKIAKXADS1	58	Terrestrial		100% No		Once fiber is terminated braodband service can be deployed with minimal investment. It is expected transport will be available in 2015. UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. The community will be served 100% when fiber is terminated and the circuit equipment is installed in 2015. No map. UPDATE - June 2016 - Budgeted funds were expended as planned. We are currently installing broadband. The community will ultimately be served at 100%. See map.		65,000				
Petersburg	PTBRAKXADS0	1,665	Terrestrial		100% Yes		No more investment is needed. UPDATE - June 2015 - The funds projected were expended to upgrade the Central Office, the AT&T site Occam, Scow Bay Occam and the Fredrick Point Occam. Petersburg remains at 100%. See Map UPDATE - June 2016 - Petersburg remains at 100%. See Map		192,336				
Skagway	SKWYAKXADS2	1,041	Terrestrial		99% Yes		The remaining investment to service the last 1% is not cost effective. UPDATE - June 2015 - The funds projected were expended to upgrade Dyea Road RSt and the Central Office. Skagway is at 99%. See Map UPDATE - June 2016 - Skagway is at 99%. See Map		57,697				
Tetlin	TLINAKXBDS1	56	Terrestrial		100% No		No more investment is needed. Middle mile transport was an issue but that is expected to be eliminated no later than 2015. UPDATE - June 2015 - The funds projected were expended to upgrade the central office. Tetlin is at 100%. See Map UPDATE - June 2016 - Tetlin is at 100%. See Map		19,234				
Tok	TOKXADS1	933	Terrestrial		100% Yes		The cost to provide higher tier service to the remaining populus is not cost effective. UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. See map. Service levels continue at 100%.						
Whale Pass	WPSSAKXADS1	51	Satellite Only	80%		No	It is not feasible, cost effective or sustainable to provide broadband service to this site. UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. There is no change in the status or middle mile facilities to this community. No map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. There is no change in the status or middle mile facilities to this community. No map.						
Wrangell	WRGLAKXADS0	1,195	Terrestrial		100% Yes		No more investment is needed. UPDATE - June 2015 - There was no budget to change facilities for Broadband in this location. Service remains at the previously reported levels. See Map. UPDATE - June 2016 - There was no budget to change facilities for Broadband in this location. Service remains at the previously reported levels. See Map.		42,915				
Middle Mile Facilities			Microwave				The original 5 Year plan should have included the expansion of the middle mile facilities between exchanges and the Access Service Connection Point. That was missed due to a focus on exchange plant. These facilities are crucial to achieving the FCC objecties of 4/1 and 10/1. The upgrade went from 300Mbps capacity to 700Mbps capacity. The middle mile facilities are shown in a map of its own. The entire microwave backbone was upgraded. No additional upgrades are being considered in the next 5 years. UPDATE - June 2016 - Budgeted funds were expended and upgrades are complete. See Map.		1,425,059				
								8,427	1,953,307	65,000	0	100,000	100,000

Alaska Telephone Company
Line 112 - 5 Year Service Quality Improvement Plan

Wire Center Name	CLLI Code	Access Line Count	Middle Mile Transport	% Capable 1MB / 256K	% Capable 4MB / 1MB	Broadband Available	Notes	Forecasted Capital Budget by Exchange				
								2014	2015	2016	2017	2018

5 Year Service Quality Budget

Narrative

The minimal capital requirements by exchange are discussed above.

It should be noted that in Alaska High cost Loop support is used in rate making to reduce local rates. At the time local rates were last developed for ATC recovery from HCL was over \$1,000,000. As you can see below, HCL is only \$361,000 (zero by 2016). Other components of high cost recovery are used to recover investments previously made years ago and operating costs that support voice and broadband services.

As one can see support is far less than the operating costs and capital investment needed to provide service. Given the regulatory compact, high cost funding should also provide a return on investment necessary to attract further future investment. Support does not currently meet the goal of providing a return of investment.

2013 Support was:	<u>2013 Support</u>	<u>2014 Support</u>	<u>2015 Support</u>
HCLS	361,206	56,920	0
ICLS	970,404	1,205,286	1,309,992
LSS	375,858	0	0
ICC	657,930	865,506	1,218,882
Federal Lifeline and Linkup	247,768	217,361	216,920
	<u>2,613,166</u>	<u>2,345,073</u>	<u>2,745,794</u>

Capital Budget - Summary from above

	2014	2015	2016	2017	2018
	1,953,307	65,000	0	100,000	100,000

Operating Expense

	2014	2015	2016	2017	2018
Plant Specific	4,294,193	4,251,676	4,209,580	4,167,901	4,126,635
Plant Non Specific	2,292,448	2,269,750	2,247,277	2,225,027	2,202,997
Depreciation	2,556,212	2,530,903	2,505,845	2,481,035	2,456,470
Customer Ops	941,572	932,250	923,020	913,881	904,833
Corporate Ops	2,257,512	2,235,160	2,213,030	2,191,119	2,169,425
Total Opex	<u>12,341,937</u>	<u>12,219,739</u>	<u>12,098,752</u>	<u>11,978,963</u>	<u>11,860,360</u>
Total Budget	<u>14,295,244</u>	<u>12,284,739</u>	<u>12,098,752</u>	<u>12,078,963</u>	<u>11,960,360</u>

Alaska Power & Telephone
Broadband Service
Inventory
Prince of Wales-Hyder
Census Area
Alaska

Updated July 28, 2011

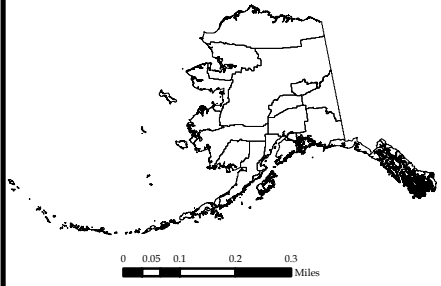
Submit questions or recommended changes to:
maps@connectak.org



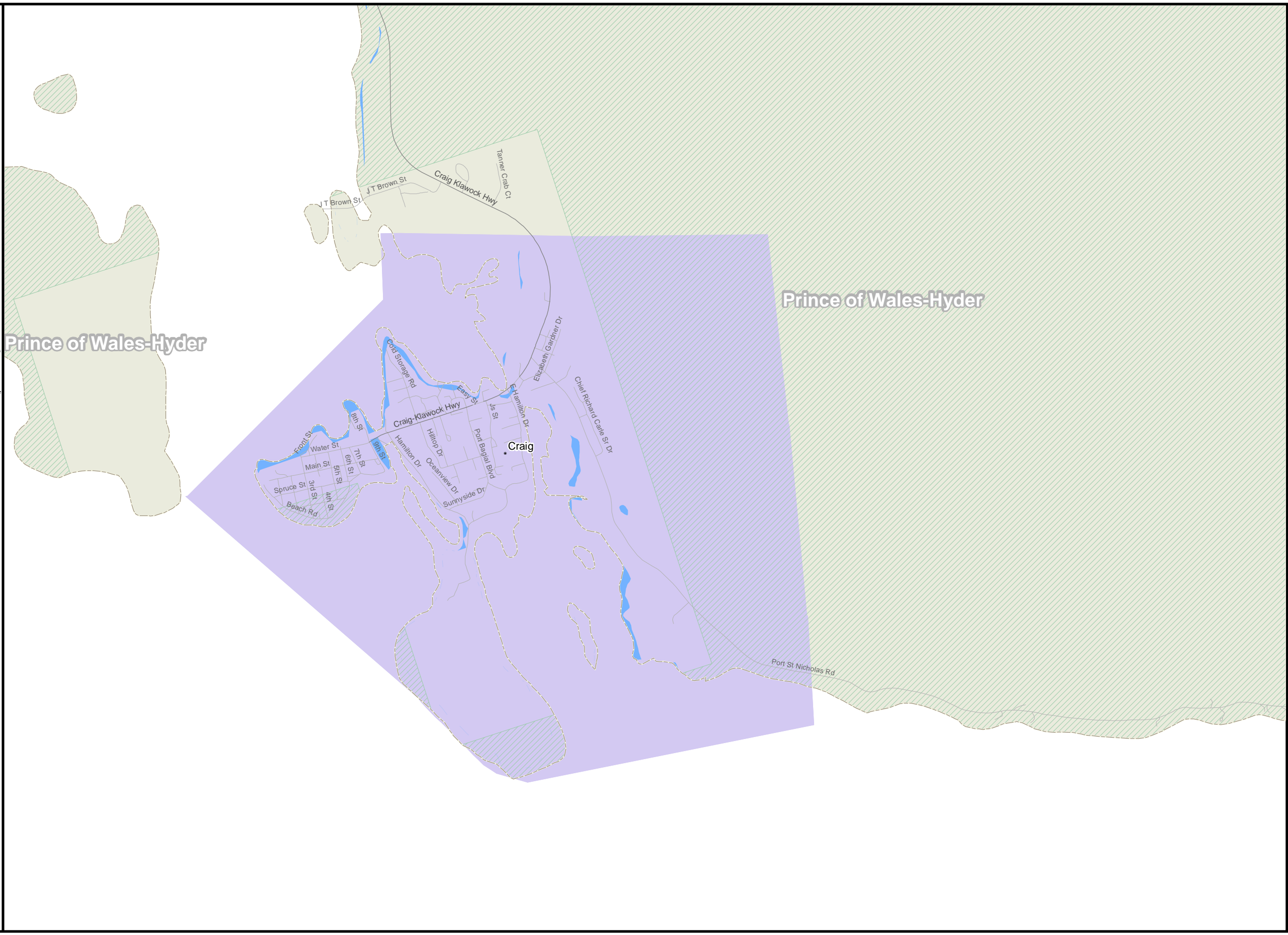
As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



- Symbology**
- Populated Place
 - Primary Road
 - Secondary Road
 - Local Road/Trail
 - - - Municipal Boundary
 - - - Borough/CA Boundary
 - Water
 - National and State Land
 - DSL Available
 - Unserviced Area



Alaska Power & Telephone Broadband Service Inventory

Haines
Borough
Alaska

Updated July 28, 2011

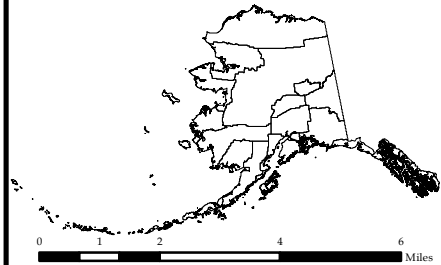
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

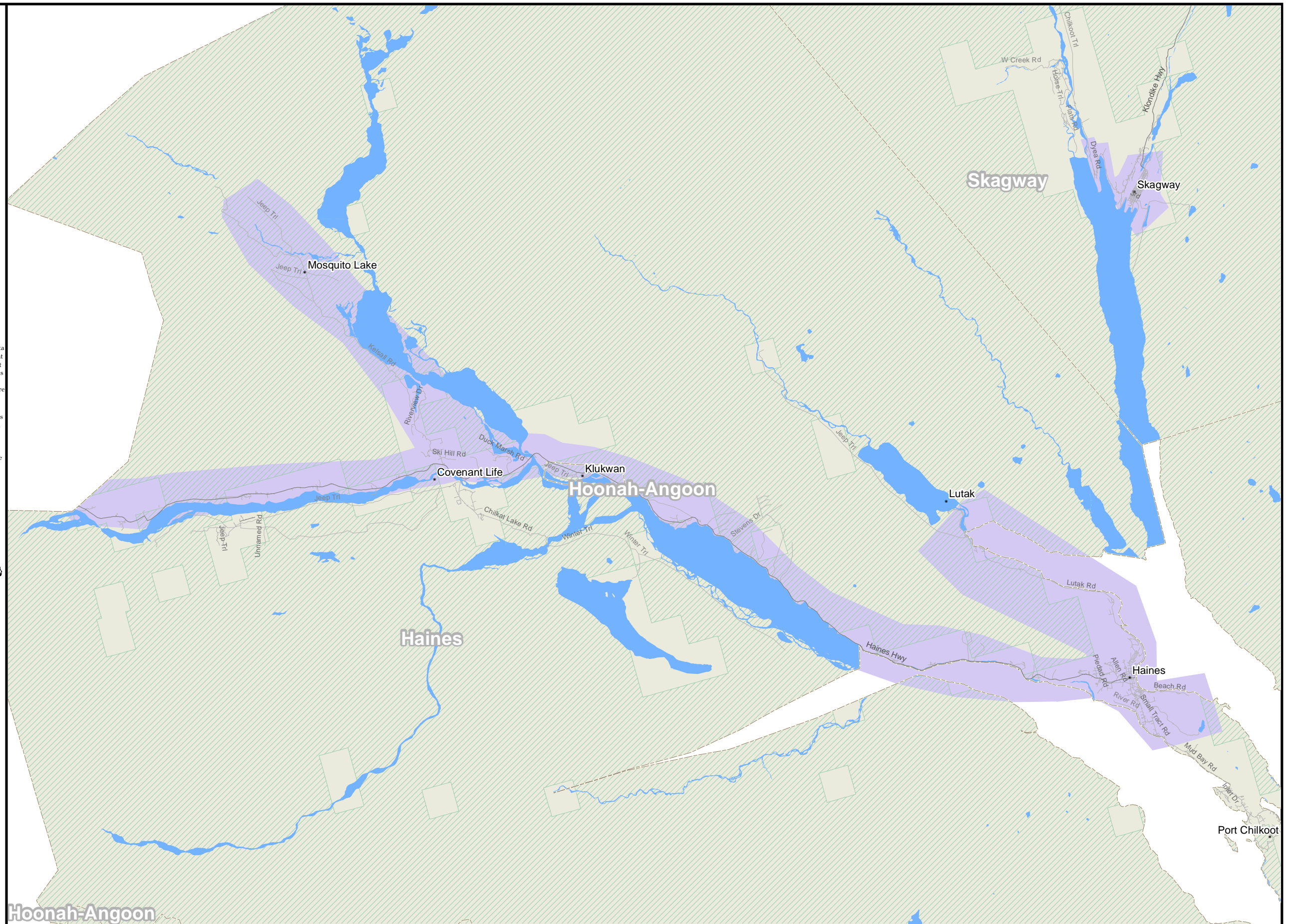
Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unserviced Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service Inventory
Prince of Wales-Hyder
Census Area

Alaska

Updated July 28, 2011

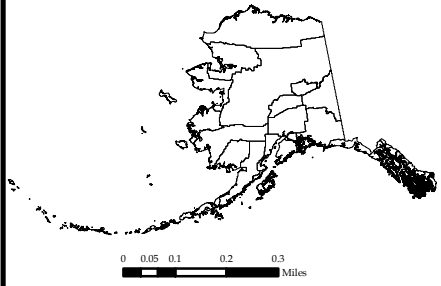
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

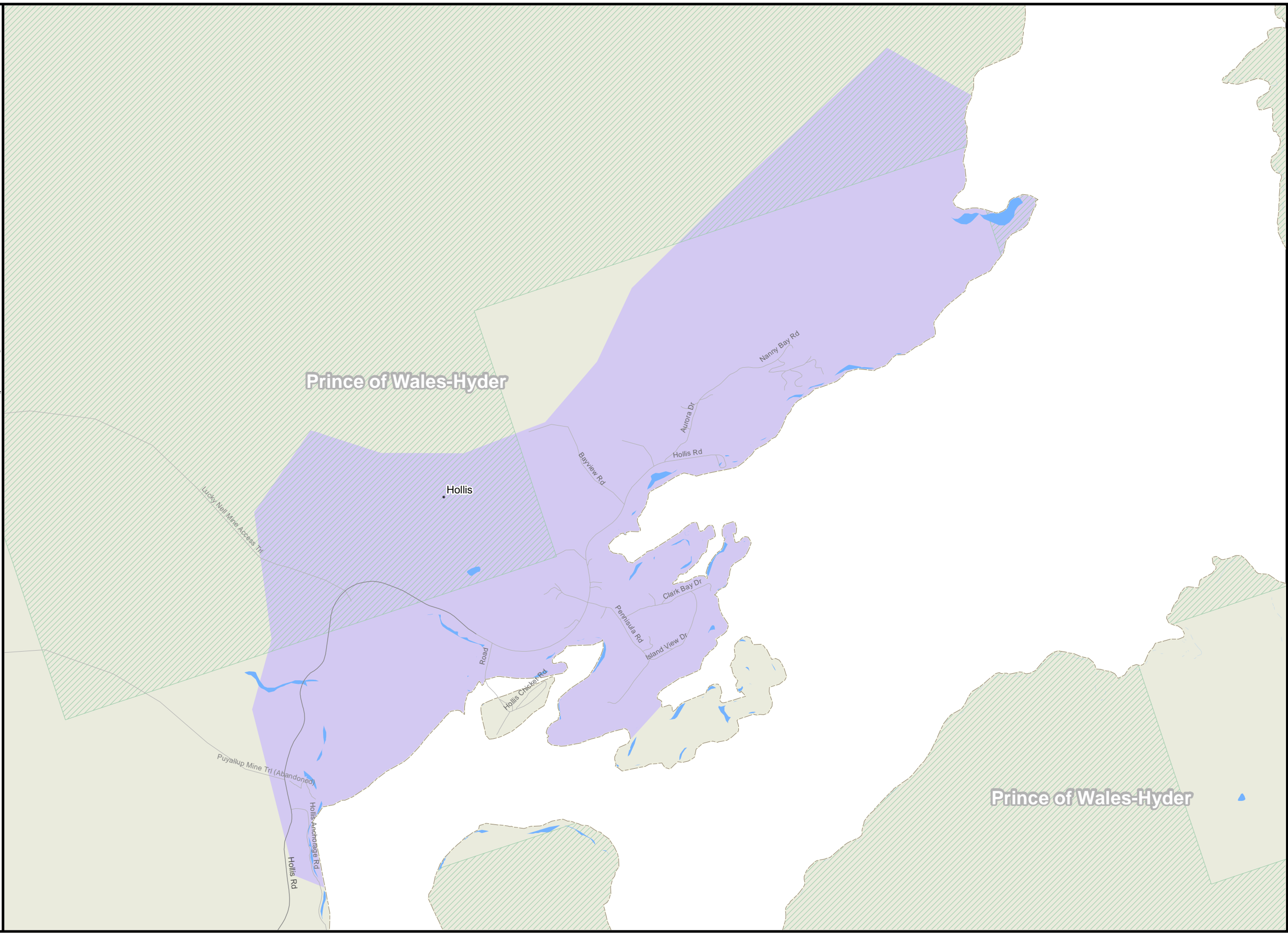
This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



- Symbology**
- Populated Place
 - Primary Road
 - Secondary Road
 - Local Road/Trail
 - - - Municipal Boundary
 - - - Borough/CA Boundary
 - Water
 - National and State Land
 - DSL Available
 - Unservd Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service
Inventory
Prince of Wales-Hyder
Census Area

Alaska

Updated July 28, 2011

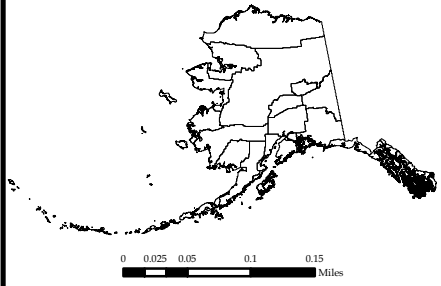
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

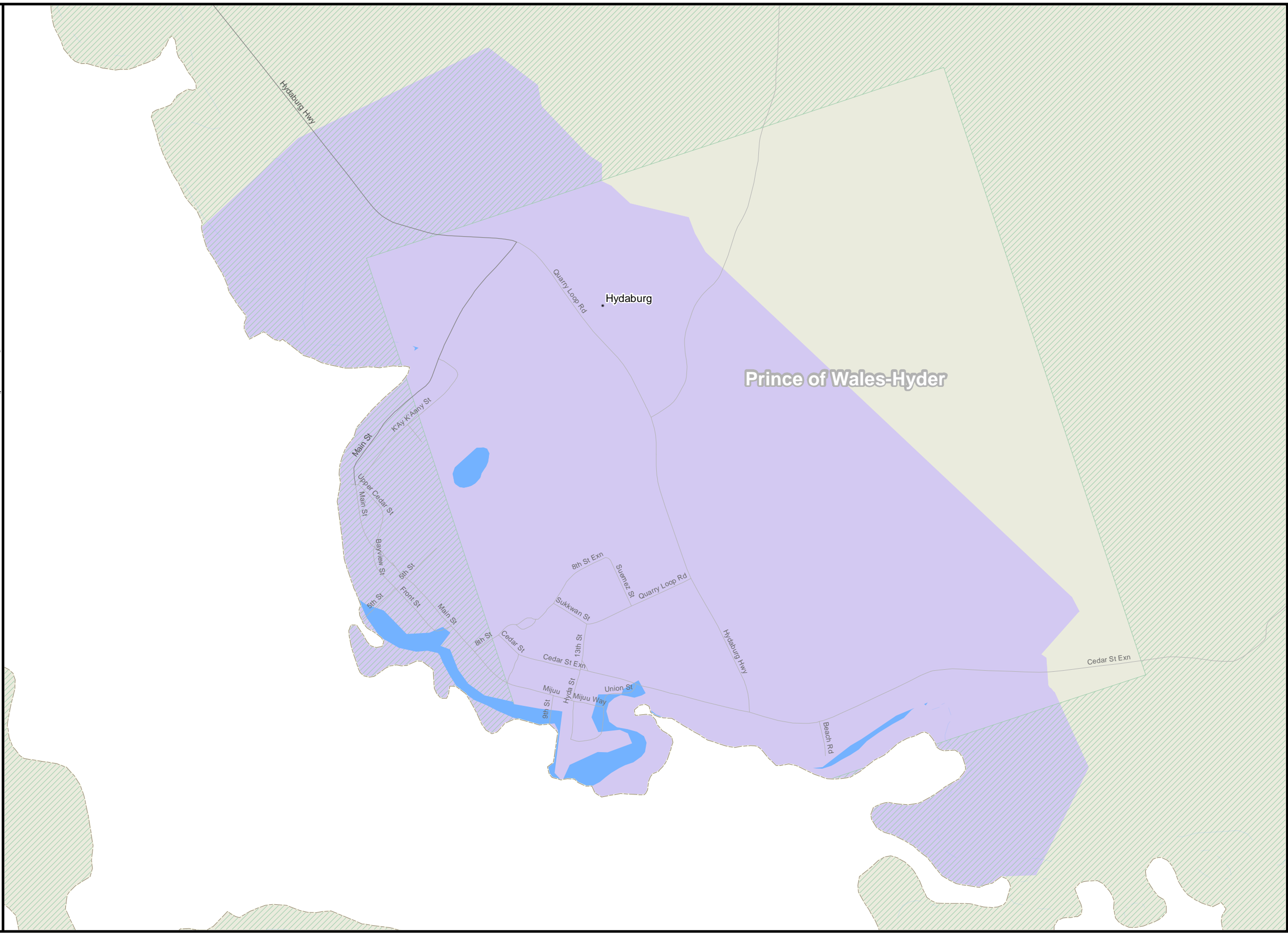
Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unserviced Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service
Inventory
Petersburg
Census Area
Alaska

Updated July 28, 2011

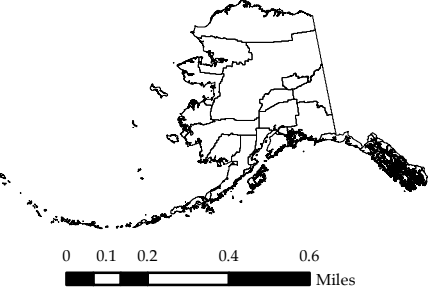
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

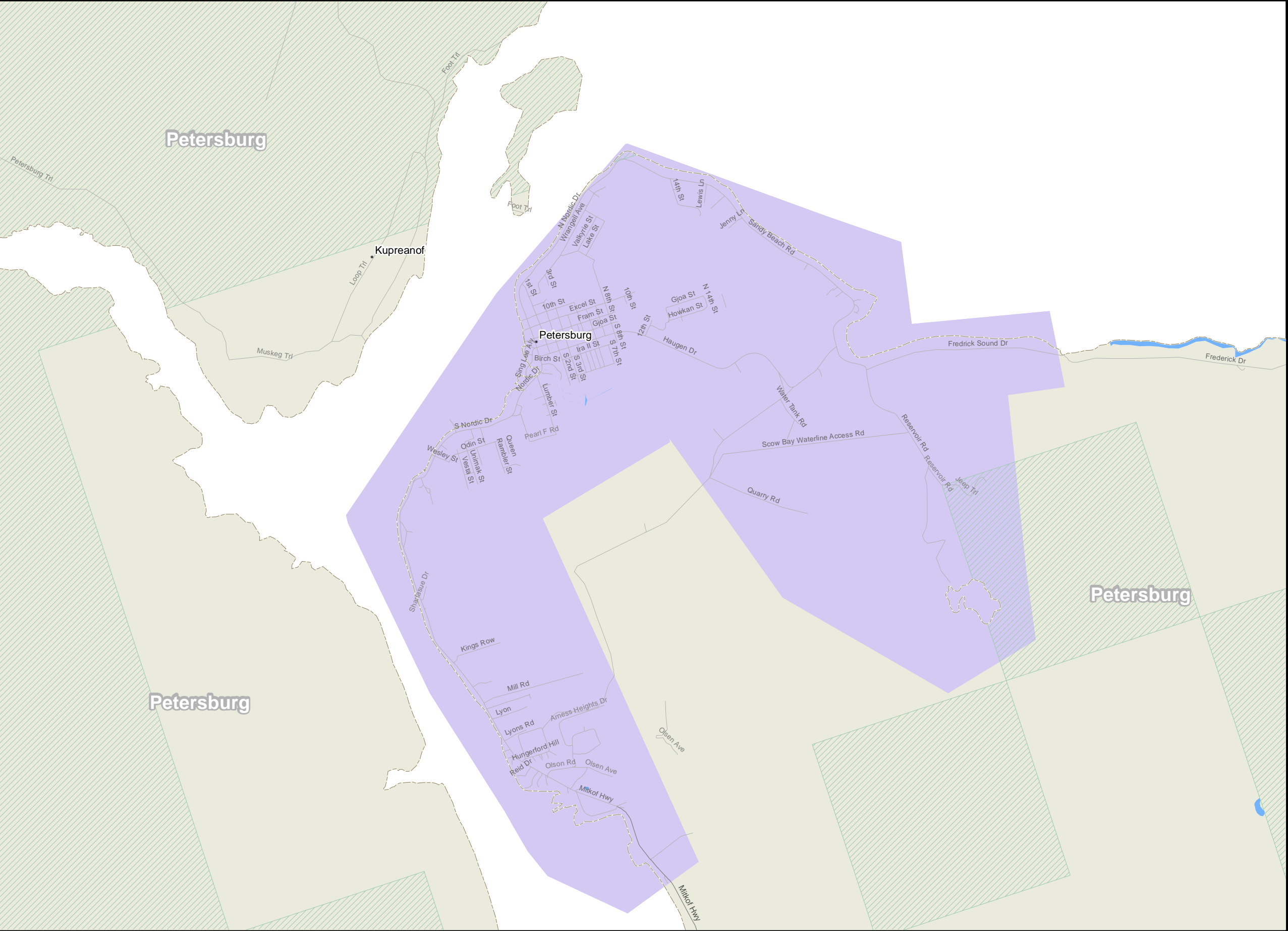
This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



- Symbology**
- Populated Place
 - Primary Road
 - Secondary Road
 - Local Road/Trail
 - - - Municipal Boundary
 - - - Borough/CA Boundary
 - Water
 - National and State Land
 - DSL Available
 - Unserved Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service Inventory
Skagway Municipality
Alaska

Updated July 28, 2011

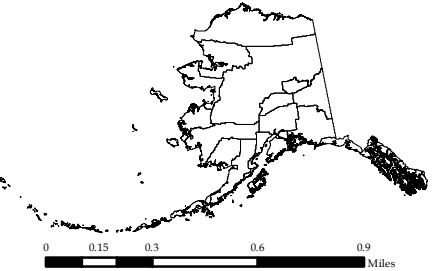
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unserviced Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power &
Telephone
Broadband Service
Inventory
Southeast Fairbanks
Census Area

Alaska

Updated July 28, 2011

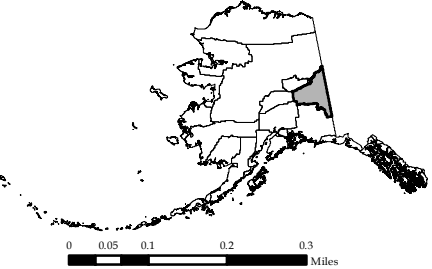
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

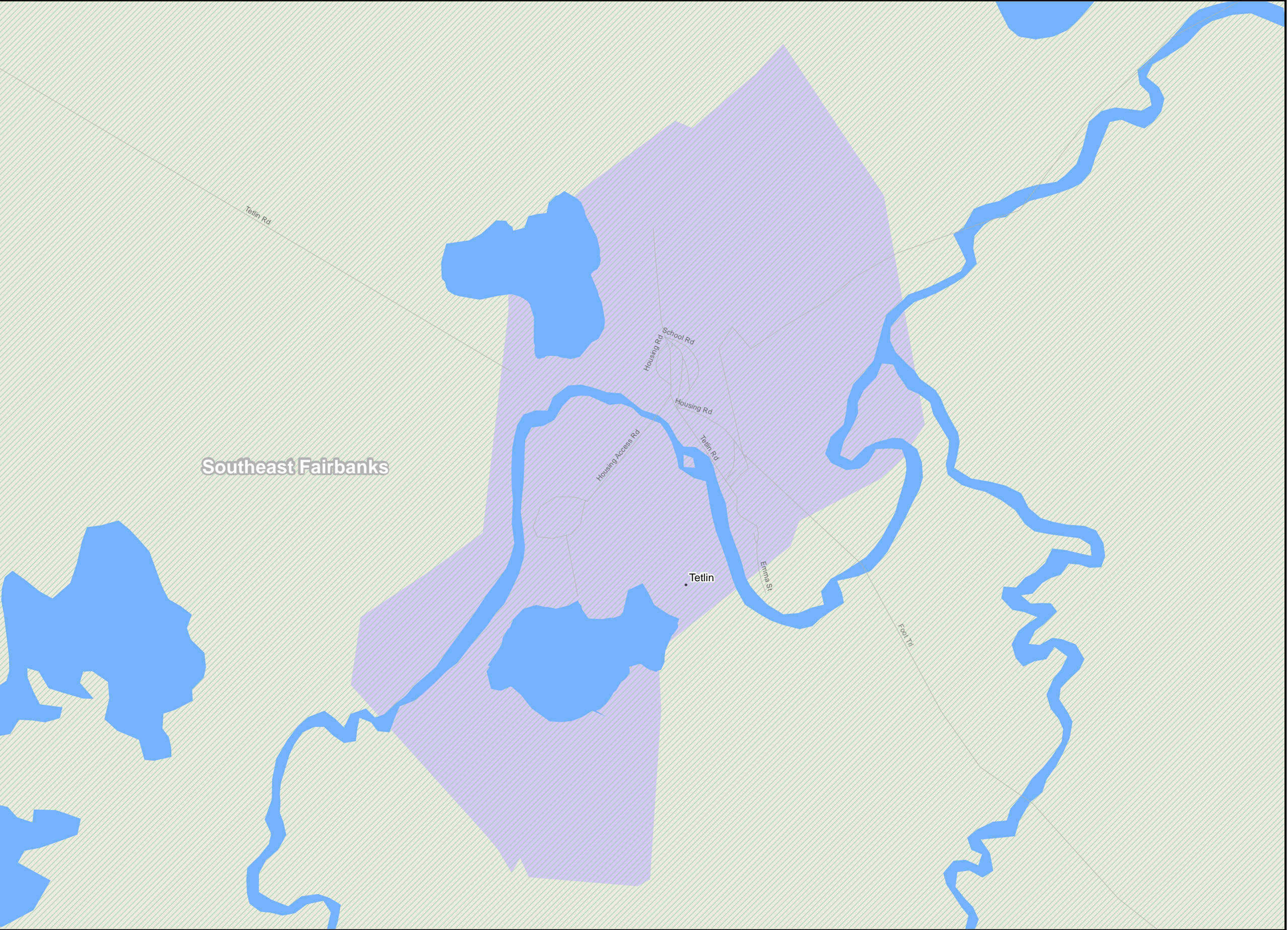
Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unserviced Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service
Inventory
Southeast Fairbanks
Census Area

Alaska

Updated July 28, 2011

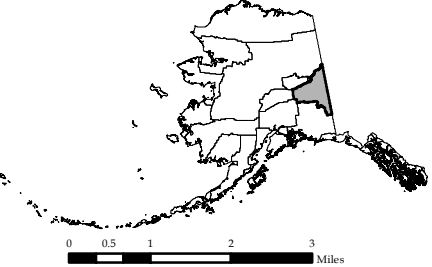
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

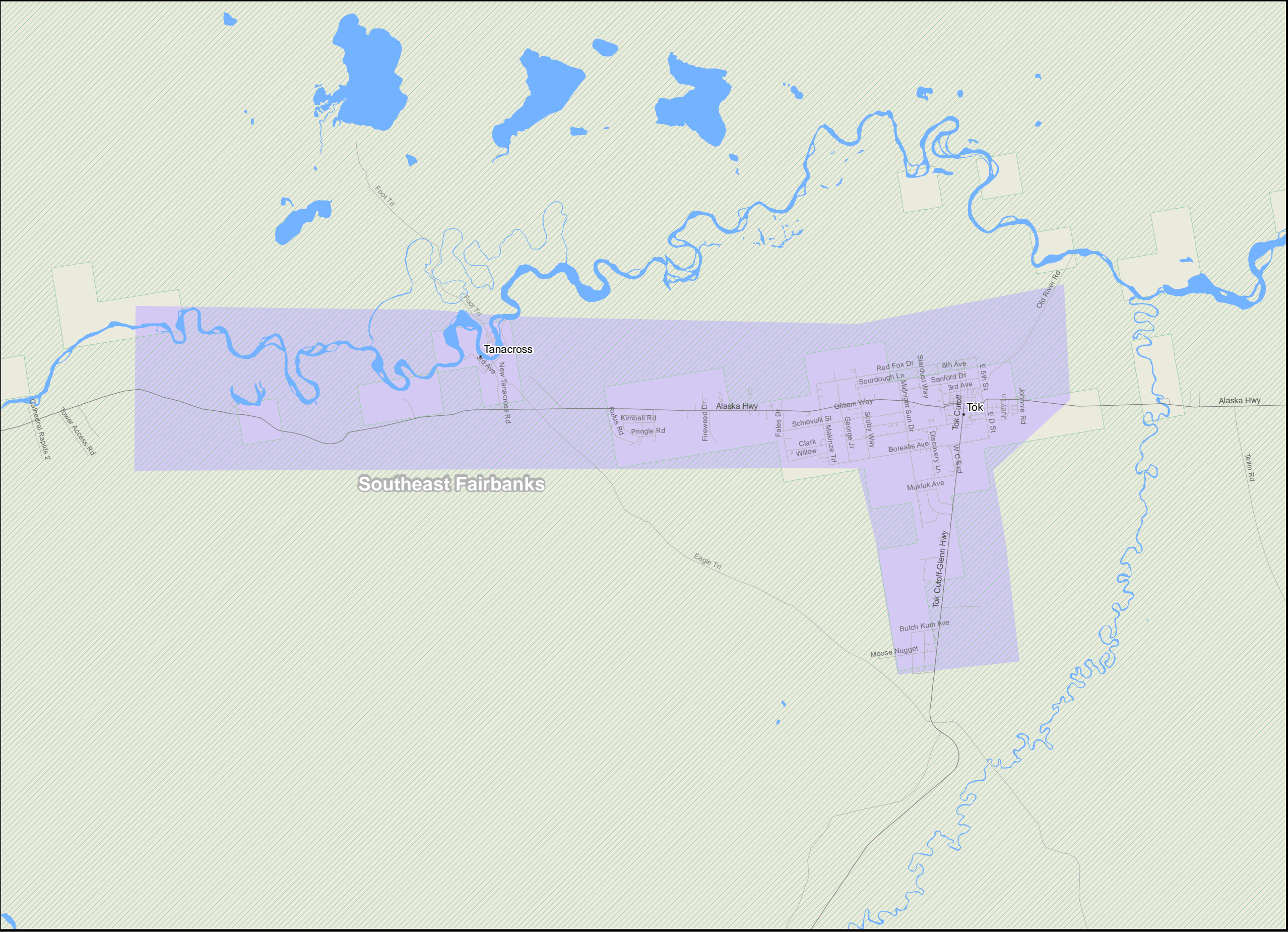
Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unserviced Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Alaska Power & Telephone
Broadband Service
Inventory
Wrangell City & Borough
Alaska

Updated July 28, 2011

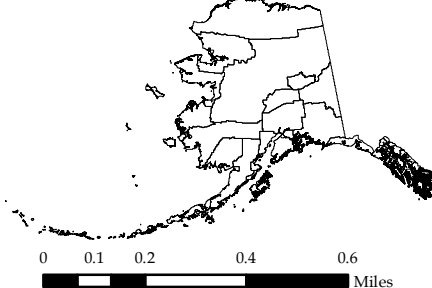
Submit questions or recommended changes to:
maps@connectak.org



As required by the US Department of Commerce's State Broadband Data and Development Grant Program, if broadband service is available to at least one household in a census block, then for mapping purposes, that census block is reported to have some level of broadband availability. As such, broadband availability at an exact address location cannot be guaranteed. Providers supplying more specific data than census block are displayed as such.

This map represents areas of broadband service availability determined by in-depth technical analysis of provider networks and accommodations for the impact of external factors on service quality. Satellite broadband services may also be available.

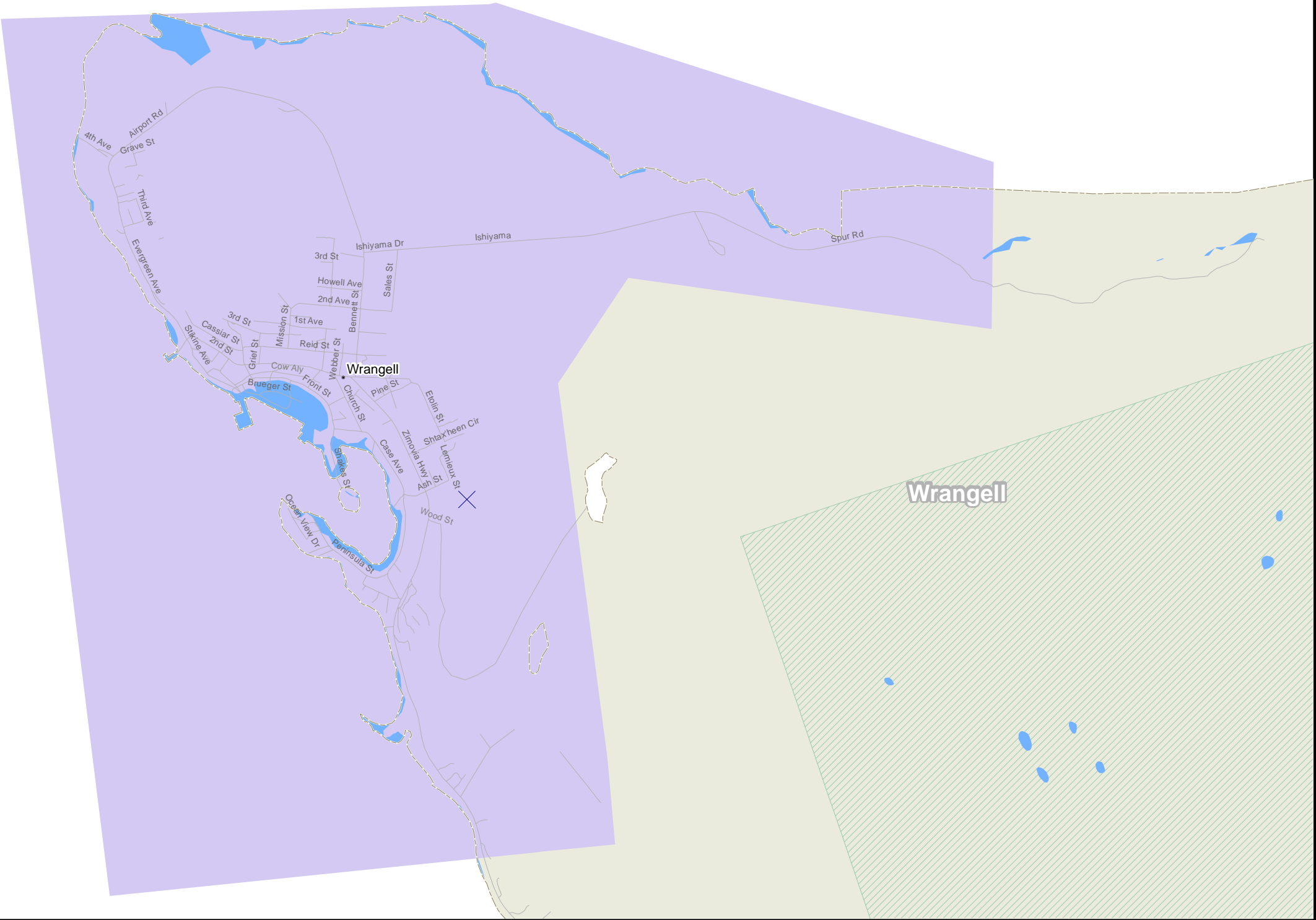
Map users are encouraged to participate in improving broadband data granularity through data validation and field testing efforts. Learn more about this and other broadband mapping facts at www.connectak.org.



Symbology

- Populated Place
- Primary Road
- Secondary Road
- Local Road/Trail
- - - Municipal Boundary
- - - Borough/CA Boundary
- Water
- National and State Land
- DSL Available
- Unservd Area

All Rights Reserved.
© Copyright 2011, Connected Nation, Washington D.C. 20010



Naukati

Census Blocks with DSL service offered within 6000ft of CO.

Legend

- AP&T Naukati CO
- Feature 1
- Little Naukati Airport
- Naukati Bay
- Nichin Cove

Elghi Island

Village Rock

Sigh Islands

AP&T Naukati CO

Naukati Bay

Klinau Island

Kussu Islands

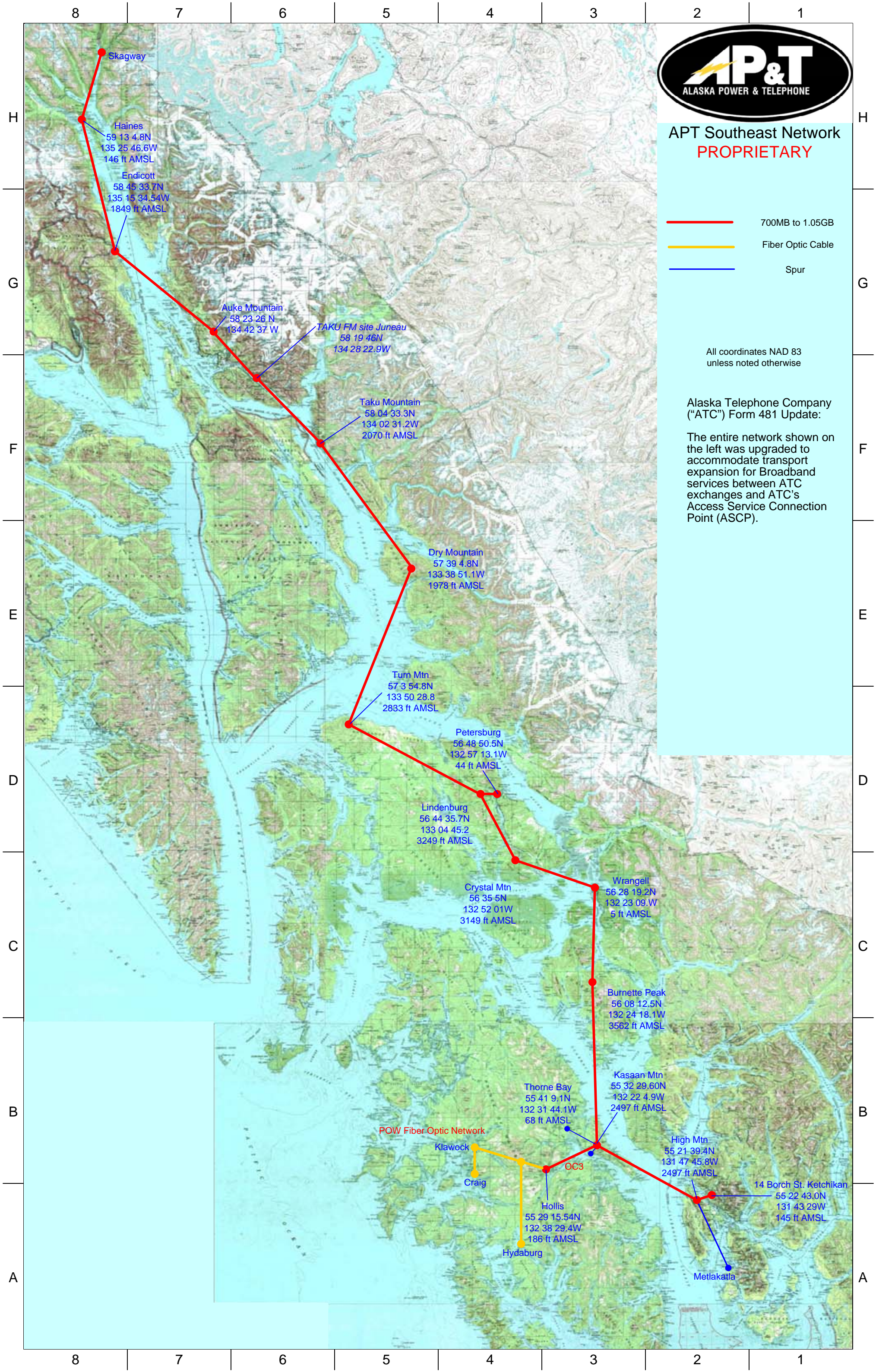
Hauti Island

Google earth

© 2016 Google
Image Landsat

1 mi







Michael Garrett, CPA
Chief Operating Officer
P.O. Box 3222
193 Otto Street
Port Townsend, WA 98368

Voice (360) 385-1733 Ext 160
Fax (360) 385-5177
mike.g@aptalaska.com

Alaska Telephone Company
SAC - 613017

Line 510 - Service Standards

ATC complies with all known service standards and consumer protection rules, including but not limited to:

- Alaska Administrative Code 3 AAC 52.200 through 3 AAC 52.340 - State service standards.
- Federal CNPI rules
- Federal Red Flag rules

Submitted

Michael Garrett
Chief Operating Officer, AP&T
P.O. Box 3222
Port Townsend WA 98368
Phone: (360) 385-1733 x160
Fax: (360) 385-5177
Email: mike.g@aptalaska.com



Michael Garrett, CPA
Chief Operating Officer
P.O. Box 3222
193 Otto Street
Port Townsend, WA 98368

Voice (360) 385-1733 Ext 160
Fax (360) 385-5177
mike.g@aptalaska.com

Alaska Telephone Company
SAC - 613017

Line 610 - Function in Emergency Situations

ATC maintains critical spares and other redundant equipment that will allow it to keep local voice service operating in emergencies. Given the communities it serves are very isolated with limited access (primarily by air) very few communities have emergency services that are based locally. ATC also maintains sufficient back generation or battery capacity handle extend power outages. Given a complete Central Office outage it is possible, in many cases to have the switching function performed in another exchange. ATC has never had such an outage in its 55+ year history.

Aside from maintaining a critical spare inventory ATC monitors its equipment locally and remotely. When an outage of significant size occurs, local personal, sufficiently trained, are dispatched to handle the outage.

Emergency service provider calls can be routed on alternate paths if the situation arises.

ATC does serve many small, remote areas where no local personnel exist. These are exchanges with very few residents (for instance Chisana, Alaska can only be accessed by air and during winter has less than 5 end users, service is suspended in Healy Lake, Alaska at this time). Almost all of these remote areas have no local anchor institutions or emergency services. Connectivity to the world is the responsibility of the interchange carrier as ATC is only the local service provider.

Lastly, ATC performs preventive maintenance as part of its monitoring practice to eliminate all but the uncontrollable, acts of nature, type of outages.

Submitted

Michael Garrett
Chief Operating Officer, AP&T
P.O. Box 3222
Port Townsend WA 98368
Phone: (360) 385-1733 x160
Fax: (360) 385-5177
Email: mike.g@aptalaska.com



Michael Garrett, CPA
Chief Operating Officer
P.O. Box 3222
193 Otto Street
Port Townsend, WA 98368

Voice (360) 385-1733 Ext 160
Fax (360) 385-5177
mike.g@aptalaska.com

Alaska Telephone Company
SAC - 613017

Line 920 - Tribal Government Engagement

Alaska is different than other states. All of Alaska land is considered tribal but there are only 2 locations (ATC serves both of them) I know of in Alaska where tribal governments manage businesses, licenses, rights-of-way, property ownership etc. Those two communities are Tetlin (approximately 20 residents) and Metlakatla (approximately 660 residents). The native organizations in the other communities are private corporations not government entities.

The corporate structure is relatively simple but can also be complex. There are regional corporations and small local corporations which have a connection to the region but are somewhat autonomous. Attached is a list of the regional and local corporations within ATC study area and include with the list are the two native governments.

Tribal Governments

Metlakatla - Management (Local Lead tech, Director of Operations and Director of Broadband Quality, Director of Marketing) - Have continuing discussions with local government official about the governments telecom needs and the needs of the community in general. Broadband speeds have met FCC minimums long before the FCC codified the minimums. Local plant is capable of much higher speeds and upgrades to middle mile transport allow for growth. ATC is able to meet very high capacity needs on an individual case basis and support local community infrastructure and anchor institutions. ATC has discussed long term planning which requires the plan to be feasible and sustainable and middle mile transport dominates those brief discussions. We rarely market products but when we do it includes local input as we have local personnel in our employ onsite. Given we have worked with the Metlakatla Indian Community (MIC) for decades, we already comply with local rights of way, business licensing and land issues. In the case of land issues, we work with MIC and the Bureau of Indian Affairs (BIA) as appropriate.

Tetlin - ATC has had outreach (through the normal course of business) to this remote and small community (approximately 20 residents). We have discussed voice and broadband issues, feasibility and sustainability but we don't market services through adds only direct contact. Our broadband team has worked and lived in Alaska (and some are native) and they are culturally sensitive. Given ATC has worked in this community decades we adhere to all laws, regulations and rules that they promulgate (which are few).

Tribal Corporations and Organizations

ATC through its parent AP&T, works with regional organizations in regards to telecom and energy as a routine part of the business.

Sealaska Corporation - Regional Corporation of Southeast Alaska

Discussions with Sealaska range from joint ventures, land leases and coordination of activities in both telecom and energy. While they own lands they are none-the-less a corporation where rules, regulations and laws about land usage and ownership are the jurisdiction of the State of Alaska. In these discussions we have detailed our plans for broadband deployment and they have reciprocated with a determination of community needs as they know them. Marketing and sensitivities to culture come from different discussions with other entities and employees.

Doyon Corporation

Few areas ATC serves are covered under Doyon Corporation. Doyon covers the interior region and any discussions between ATC and Doyon have been informal. Most of the direct conversations in interior areas have been with local corporations.

Local Tribal Corporations / Organizations

Local discussions by locally based employee have occurred on an informal basis. There are no local anchor institutions given the size of these communities. None of these communities govern land or business activities as envisioned by the FCC. However, as a normal course of business we have frequent contact with local corporations related to providing telecom services (and also energy services of our affiliate who is the regulated electric distribution company).

In conclusion, ATC has had formal discussions with local tribal governments (Metlakatla and Tetlin) as required by the community outreach. However this is not new as ATC has worked with these entities for decades. ATC, through its parent, has had similar discussion with regional tribal organizations about needs of the region. Local tribal organizations are contacted frequently in the normal course of business as ATC is the LEC providing local service and its affiliate is the electric utility.

Submitted

Michael Garrett
Chief Operating Officer, AP&T
P.O. Box 3222
Port Townsend WA 98368
Phone: (360) 385-1733 x160
Fax: (360) 385-5177
Email: mike.g@aptalaska.com

ATC Tribal Outreach Program

<u>Exchange</u>	<u>List Tribal Organizations / Corporations</u>	<u>Contact Information</u>		<u>City</u>	<u>Zip</u>	<u>Phone</u>	<u>Email</u>
		<u>Address</u>					
Craig	Craig Tribal Association	PO Box 828		Craig	99921	907.826.3996	crabbay@hotmail.com
	Shaan-Seet, Inc.	PO Box 690		Craig	99921	907.826.3251	ssinc@aptalaska.net
Hydaburg	Hydaburg Cooperative Association	PO Box 349		Hydaburg	99922	907.285.2666	hcatrbe@gmail.com
	Haida Corporation	PO Box 89		Hydaburg	99922	907.285.3721	haidaceo@starband.net
Hollis	No local organizations						
Chisana	No local organizations						
Edna Bay	No local organizations						
Dry Creek	No local organizations						
Whale Pass	No local organizations						
Hyder	No local organizations						
Naukati	No local organizations						
Meyers Chuck	No local organizations						
Wrangell	Wrangell Cooperative - Shakes	PO Box 2021		Wrangell	99929	907.874.4304	wcatrbe@gmail.com
Petersburg	Petersburg Indian Association	PO Box 1418		Petersburg	99833	907.772.3636	piageneral@gci.net
Haines	Chilkoot Indian Association	PO Box 490		Haines	99827	907.766.2323	dberry@chilkoot-nsn.gov
Klukwan	Klukwan, Inc.	PO Box 209		Haines	99827	907.766-2211	info@klukwan.com
Skagway	Skagway Village	PO Box 1157		Skagway	99840	907.983.4068	dcommander@skagwaytraditional.org
Tok	No local organization						
Tanacross	Native Village of Tanacross	PO Box 76009		Tanacross	99776	907.883.5024	tanacrossvillagecouncil@yahoo.com
	Tanacross Inc.	PO Box 76029		Tanacross	99776	907.883.4130	
Dot Lake	Village of Dot Lake	PO Box 2279		Dot Lake	99737	907.882.2695	dotlake@aitc.org
	Dot Lake Native Corporation	3500 Wolf Run		Fairbanks	99709	907.347.1251	
Healy Lake	Healy Lake Trade Village Corporation	PO Box 60300, Healy Lake 19		Fairbanks	99706		
	Mendas Cha-ag Native Corporation	457 Cindy Drive		Fairbanks	99701		
<u>Regional Corporations</u>							
Covers all of SE Alaska Sealaska Corporation		One Sealaska Plaza, Suite 400		Juneau	99801	907.586.1512	
Covers all Interior Exch Doyon Corporation		1 Doyon Place Suite 300		Fairbanks	99701	907.459.2000	
<u>Tribal Governments</u>							
Metlakatla	Metlakatla Indian Community	PO Box 8		Metlakatla	99926	907.886.4441	
Tetlin	Native Village of Tetlin	PO Box 797		Tok	99780	907.883.2021	tetlinvillagecouncil@gmail.com
	Tetlin Native Corporation	PO Box 657		Tok	99780		



Report of Independent Auditors
and Financial Statements for

Alaska Telephone Company

December 31, 2015 and 2014

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

CONTENTS

	PAGE
REPORT OF INDEPENDENT AUDITORS	1-2
FINANCIAL STATEMENTS	
Balance sheets	3-4
Statements of income	5
Statements of stockholder's equity	6
Statements of cash flows	7
Notes to financial statements	8-14

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Alaska Telephone Company

Report on the Financial Statements

We have audited the accompanying financial statements of Alaska Telephone Company (Company), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

REPORT OF INDEPENDENT AUDITORS
(continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Telephone Company as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Spokane, Washington
April 7, 2016

ALASKA TELEPHONE COMPANY
BALANCE SHEETS

ASSETS

	December 31,	
	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 36,947	\$ 40,478
Subscriber accounts receivable, less allowance of \$10,006 in 2015 and 2014	630,124	519,329
Settlements and access accounts receivable	801,902	1,034,253
Other accounts receivable	207,644	63,876
Advances to affiliates	1,723,178	-
Material and supplies	192,886	169,293
Other assets	133,545	125,553
 Total current assets	 3,726,226	 1,952,782
 NONCURRENT ASSETS		
Goodwill, net of amortization	5,130,436	6,840,580
 PROPERTY, PLANT, AND EQUIPMENT		
Telecommunications plant in service	58,121,822	60,027,831
Telecommunications plant under construction	505,992	463,502
Telecommunications plant held for future use	49,453	62,557
	58,677,267	60,553,890
Less accumulated depreciation	44,285,296	44,097,773
	14,391,971	16,456,117
 Total assets	 \$ 23,248,633	 \$ 25,249,479

ALASKA TELEPHONE COMPANY
BALANCE SHEETS

LIABILITIES AND STOCKHOLDER'S EQUITY

	December 31,	
	2015	2014
CURRENT LIABILITIES		
Advanced billing and customer deposits	\$ 267,433	\$ 267,501
Advances from affiliates	-	1,218,187
Accrued taxes and other accrued liabilities	83,470	35,720
	<u>350,903</u>	<u>1,521,408</u>
DEFERRED INCOME TAXES	<u>4,572,734</u>	<u>5,431,186</u>
	<u>4,923,637</u>	<u>6,952,594</u>
STOCKHOLDER'S EQUITY		
Common stock, \$1 par value, 500,000 shares authorized; 100,000 shares issued and outstanding	100,000	100,000
Additional paid-in capital	17,095,658	17,095,658
Retained earnings	1,129,338	1,101,227
	<u>18,324,996</u>	<u>18,296,885</u>
	<u>\$ 23,248,633</u>	<u>\$ 25,249,479</u>

ALASKA TELEPHONE COMPANY
STATEMENTS OF INCOME

	Years Ended December 31,	
	2015	2014
Operating revenues		
Wireline		
Customer	\$ 4,296,704	\$ 4,280,760
Intercarrier - interstate	6,109,214	5,854,019
Intercarrier - intrastate	1,300,042	1,349,627
Universal service support	2,613,832	2,526,141
Total wireline revenues	14,319,792	14,010,547
Miscellaneous	202,575	234,515
	14,522,367	14,245,062
Operating expenses		
Plant specific operations	4,347,212	4,188,272
Plant nonspecific operations	2,403,052	2,381,602
Depreciation	2,525,237	2,592,288
Customer operations	1,118,604	1,078,703
Corporate operations	2,275,240	2,000,564
Other operating taxes	110,125	107,616
	12,779,470	12,349,045
Net operating income	1,742,897	1,896,017
Nonoperating expenses		
Amortization of goodwill	1,710,144	1,710,161
Net income before income taxes	32,753	185,856
Income taxes	4,642	94,772
Net income	\$ 28,111	\$ 91,084

ALASKA TELEPHONE COMPANY
STATEMENTS OF STOCKHOLDER'S EQUITY

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, December 31, 2013	\$ 100,000	\$ 17,095,658	\$ 4,073,457	\$ 21,269,115
Net income	-	-	91,084	91,084
Dividends paid to parent	-	-	(3,063,314)	(3,063,314)
Balance, December 31, 2014	100,000	17,095,658	1,101,227	18,296,885
Net income	-	-	28,111	28,111
Balance, December 31, 2015	<u>\$ 100,000</u>	<u>\$ 17,095,658</u>	<u>\$ 1,129,338</u>	<u>\$ 18,324,996</u>

ALASKA TELEPHONE COMPANY
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 28,111	\$ 91,084
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	2,525,237	2,592,288
Amortization of goodwill	1,710,144	1,710,161
Deferred income taxes	(584,019)	296,587
Change in assets and liabilities		
Accounts receivable	(22,212)	(375,014)
Material and supplies	(23,593)	12,547
Other current assets	(7,992)	(5,779)
Advance billing and customer deposits	(68)	(3,604)
Accrued taxes and other accrued liabilities	47,750	(6,549)
Net cash from operating activities	<u>3,673,358</u>	<u>4,311,721</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net acquisition of telecommunications plant	<u>(1,577,778)</u>	<u>(1,976,744)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from (to) affiliates	(2,099,111)	730,391
Dividends paid to parent	<u>-</u>	<u>(3,063,314)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,531)	2,054
CASH AND CASH EQUIVALENTS at beginning of year	<u>40,478</u>	<u>38,424</u>
CASH AND CASH EQUIVALENTS at end of year	<u><u>\$ 36,947</u></u>	<u><u>\$ 40,478</u></u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Contribution of telecommunications plant from (to) affiliate	<u><u>\$(1,116,687)</u></u>	<u><u>\$ 1,404,752</u></u>

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Description of entity – Alaska Telephone Company (Company or ATC) is an incumbent local exchange carrier that provides telephone and other related telecommunication services in Alaska. The Company is wholly owned by Alaska Power & Telephone Company, Inc. (AP&T).

Accounting policies – The financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to regulated public utilities. Such accounting principles are consistent, in all material respects, with accounting prescribed by the Federal Communications Commission (FCC).

Accounting estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include depreciation expense, the fair value of goodwill, deferred income taxes, and interstate access revenues. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents are defined as short-term, highly liquid investments that were purchased with an original maturity of three months or less and are readily convertible into cash. Cash equivalents are stated at cost and primarily consist of money market savings accounts.

Concentration of risks – At various times throughout the year, cash balances exceeded federally insured limits. A possible loss exists for those amounts that exceed the federally insured limits.

In 2015, the Company received \$2.6 million, or 18% of its revenue from the Federal Universal Service Fund. In 2014, the Company received \$2.5 million, or 18% of its revenue from the Federal Universal Service Fund.

Accounts receivable – Accounts receivable are stated at the amount management expects to collect on outstanding balances. The Company reviews the collectability of accounts receivable annually based upon an analysis of outstanding receivables, historical collection information, and existing economic conditions. Receivables from subscribers are due 30 days after issuance of the subscriber bill. Receivables from other exchange carriers are typically outstanding 30 to 60 days before payment is received. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes it has established adequate reserves for any risk associated with these receivables.

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Material and supplies – Material and supplies consist of construction materials and are valued at the lower of average cost or market.

Property, plant, and equipment – Property, plant, and equipment are stated at cost. The cost of additions and substantial betterments of property, plant, and equipment is capitalized. The cost of maintenance and repairs is charged to operating expenses.

Property, plant, and equipment are depreciated using straight-line methods over their estimated useful lives. In accordance with composite group depreciation methodology, when a portion of the Company's depreciable property, plant, and equipment is retired in the ordinary course of business, the gross book value is charged to accumulated depreciation. For income tax purposes, ATC computes depreciation using accelerated methods where permitted.

Income taxes – The Company is a member of a group that files consolidated federal income tax returns and a combined unitary Alaska return. Accordingly, income taxes payable to (refundable from) the tax authorities are recognized on the financial statements of the parent company who is the taxpayer for income tax purposes. The members of the consolidated group allocate payments to any member of the group for the income tax reduction resulting from the member's inclusion in the consolidated return, or the member makes payments to the parent company for its allocated share of the consolidated income tax liability. This allocation approximates the amount that would be reported if the Company was separately filing its tax returns.

Deferred taxes are provided on an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company records uncertain tax positions if the likelihood the position will be sustained upon examination is less than 50%. As of December 31, 2015 and 2014, the Company had no accrued amounts related to uncertain tax positions.

Revenue recognition – Monthly service fees derived from local wireline are billed one month in advance, but recognized in the month that service is provided.

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue recognition (continued) – Usage sensitive revenues such as access (revenues earned for originating/terminating long distance calls) are generally billed as a per-minute charge. Although these revenues are billed in arrears, an estimate of unbilled revenues is accrued in the month service is provided.

Interstate access revenues also include settlements based on the Company's participation in the revenue pools administered by the National Exchange Carrier Association (NECA). Settlement revenues are determined by annually prepared separations and interstate access cost studies. Revenues for the current year are based on estimates prior to the submission of the cost study reporting actual results of operations. Additionally, the studies are subject to a 24-month pool adjustment period and final review and acceptance by the pool administrators. There was an insignificant revenue impact in 2015 and 2014 for adjustments related to prior year differences between the recorded estimates and actual revenues. Furthermore, management does not anticipate that 2015 and 2014 recorded revenues will require significant adjustments in future years.

Intrastate access revenues include revenues received from revenue pools administered by the Alaska Exchange Carrier Association that are based on the Company's relative cost of providing intrastate access service. These revenues are based on projections submitted periodically and intrastate access cost studies that are normally submitted every two years. Management does not anticipate significant adjustments to recorded revenues for the years ended December 31, 2015 or 2014.

The Company's wireline universal service support revenue is intended to compensate the Company for the high cost of providing rural telephone service. Universal service support revenue includes funds received for high cost loop support (HCLS), interstate common line support (ICLS), Connect America Fund (CAF), and other miscellaneous programs. HCLS and ICLS are based on the Company's current relative level of operating expense and plant investment. Support from the CAF is based on a historical frozen amount related to 2011 investment and expenses associated with the switching function and certain 2011 interstate access revenues, which together make up the CAF base. The CAF base will be reduced by 5% each year in determining CAF support.

Regulation – The Company's services are subject to rate regulation as follows:

- Local telephone and intrastate access revenues are regulated by the Regulatory Commission of Alaska. The FCC also has preemptive authority to regulate intrastate telecommunications services, including intrastate access rates.
- Interstate access revenues are regulated by the FCC through its regulation of rates and settlements procedures as administered by NECA.

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Regulation (continued) –

- Universal service support revenues are administered by the Universal Service Administrative Company (USAC), based on rules established by the FCC.

Other sources of revenues are not rate regulated and include equipment sales, directory, rents, and other incidental services.

Nonregulated expenses and nonregulated plant are directly attributable to nonregulated services.

All other operating expenses and telecommunications plant are related primarily to wireline revenues. However, some of these costs jointly relate to regulated and nonregulated services. For interstate access settlements, universal service support, rate development, and other regulatory purposes, the portion of these common costs related to nonregulated activities are removed in accordance with Part 64 of the FCC rules in order to ensure regulated revenues are based on costs of providing regulated services. Management is monitoring the impacts of reform to the Universal Service Funds on an on-going basis.

Access revenues – Access revenues are classified as follows:

- Customer revenues include end user charges such as the Subscriber Line Charge (SLC), the Federal Universal Service Charge (FUSC), Access Recovery Charge (ARC), and the state access charge.
- Universal service support includes HCLS, ICLS, CAF, lifeline, and linkup.
- All access charge and settlement revenue, except as described above, is classified as intercarrier revenue.

Related party transactions – ATC is a wholly owned subsidiary and is included in the consolidated financial statements of AP&T. Certain allocations are made from the parent company that could result in the operating results or financial position of ATC being different from those that would have been obtained had the entities been autonomous. AP&T employs all employees of ATC and allocates certain employee costs to ATC. These costs are allocated based on cost allocation procedures that have been approved by the Regulatory Commission of Alaska. Employee costs in the amounts of \$5,094,052 and \$5,416,167 were allocated to ATC in 2015 and 2014, respectively. All eligible employees can participate in the AP&T stock ownership plan. Amounts due to and due from affiliated companies are recorded in the accompanying balance sheets as advances from affiliates or advances to affiliates.

Advertising expenses – The Company expenses advertising costs as incurred. Advertising expenses during the years ended December 31, 2015 and 2014, were \$84,967 and \$112,568, respectively.

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Taxes imposed by governmental authorities – The Company's customers are subject to taxes assessed by various governmental authorities on many different types of revenue transactions with its customers. These specific taxes are charged to and collected from the Company's customers and subsequently remitted to the appropriate taxing authority. The taxes are accounted for on a net basis and excluded from revenues.

Fair value measurements – Fair value represents the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The Company follows the following fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value measurement guidance is applicable to the Company's goodwill.

Goodwill – In 1999, the Company purchased properties from GTE Alaska. The excess of the purchase price over the fair value of the assets acquired has been recorded as goodwill. The Company adopted Accounting Standards Update (ASU)-2014-02, *Intangibles - Goodwill and Other (Topic 350) - Accounting for Goodwill*. Under this guidance, goodwill is tested for impairment by management when a triggering event occurs that indicates the fair value of the reporting unit is less than its carrying amount. In addition, under this standard, management has elected to amortize goodwill on a straight-line basis over a period of five years. In periods ending prior to January 1, 2014, the Company did not amortize goodwill, rather it was tested for impairment annually or between annual tests if an event or change in circumstance indicated the fair value of the Company was less than its carrying amount including goodwill. Management has reviewed events and circumstances that may be considered a triggering event, and determined no such event occurred during 2015. Total amortization expense related to goodwill for the years ended December 31, 2015 and 2014, was \$1,710,144 and \$1,710,161, respectively. Annual amortization for the four years beginning January 1, 2015, is approximately \$1.7 million.

ALASKA TELEPHONE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Subsequent events – Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are available to be issued. The Company recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Company's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before the financial statements are available to be issued.

The Company has evaluated subsequent events through April 7, 2016, which is the date the financial statements are available to be issued.

Note 2 – Property, Plant, and Equipment

Property, plant, and equipment balances, together with accumulated depreciation, consist of the following at December 31:

	Plant Account	Accumulated Depreciation	2015 Net Balance	2014 Net Balance
Plant in service	\$ 58,121,822	\$ 44,285,296	\$ 13,836,526	\$ 15,930,058
Plant under construction	505,992	-	505,992	463,502
Plant held for future use	49,453	-	49,453	62,557
Total	<u>\$ 58,677,267</u>	<u>\$ 44,285,296</u>	<u>\$ 14,391,971</u>	<u>\$ 16,456,117</u>

Telecommunications plant in service balances, together with accumulated depreciation balances, consist of the following at December 31:

	Depreciation Rate	Plant Account	Accumulated Depreciation	2015 Net Balance	2014 Net Balance
Telecommunications plant in service					
General support assets	0%-20%	\$ 8,466,560	\$ 5,951,980	\$ 2,514,580	\$ 3,072,727
Central office assets	7%-10%	28,751,911	20,931,003	7,820,908	8,948,435
Cable and wire facilities	2%-5%	20,903,351	17,402,313	3,501,038	3,908,896
		<u>\$ 58,121,822</u>	<u>\$ 44,285,296</u>	<u>\$ 13,836,526</u>	<u>\$ 15,930,058</u>

ALASKA TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS

Note 3 – Income Taxes

The components of the provision for income tax (benefit) expense for the years ended December 31 are:

	<u>2015</u>	<u>2014</u>
Current		
Federal	\$ 452,845	\$ (158,812)
State	135,816	(43,003)
Deferred		
Federal	<u>(584,019)</u>	<u>296,587</u>
	<u><u>\$ 4,642</u></u>	<u><u>\$ 94,772</u></u>

The provision for income taxes differs from the amount computed by applying the current statutory federal income tax rate to earnings before taxes due to the effects of state taxes (net of federal benefit), nondeductible items, nontaxable items, and prior year over or under accruals.

The components of the net deferred tax liability recorded in the accompanying balance sheets at December 31 are:

	<u>2015</u>	<u>2014</u>
Current deferred tax (assets) liabilities		
Allowance for doubtful accounts	\$ (3,962)	\$ (3,963)
Prepaid expenses	<u>14,654</u>	<u>18,800</u>
Total net current deferred tax liability	<u>10,692</u>	<u>14,837</u>
Noncurrent deferred tax (assets) liabilities		
Acquisitions	(60,184)	(60,184)
Tax amortization and depreciation greater than book	<u>4,622,226</u>	<u>5,476,533</u>
Total net noncurrent deferred tax liability	<u>4,562,042</u>	<u>5,416,349</u>
Net deferred tax liability	<u><u>\$ 4,572,734</u></u>	<u><u>\$ 5,431,186</u></u>

In November 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes (ASU 2015-17)*, which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent on the balance sheet. The Company has elected to early adopt ASU 2015-17.